

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF) CASE NO. 2014-00371
ITS ELECTRIC RATES)

COMMISSION STAFF'S REQUEST FOR INFORMATION
TO THE KROGER COMPANY

The Kroger Company ("Kroger"), pursuant to 807 KAR 5:001, is to file with the Commission its electronic responses, a paper original, and three copies of the following information. The information requested herein is due no later than April 6, 2015. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kroger shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Kroger fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a response containing personal information, Kroger shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the response so that personal information cannot be read.

1. Refer to the Prefiled Direct Testimony of Neal Townsend (“Townsend Testimony”), page 9, lines 12-19. Explain why the forecasted core inflation rates for 2015 and 2016 from two federal government sources, which range from 1.5-2.2 percent, should not be considered supportive of the 2.0 percent inflation rate used by Kentucky Utilities Company (“KU”) to derive test-year non-labor operation and maintenance (“O&M”) expenses.

2. Refer to the Townsend Testimony, page 8, lines 20-22, page 9, lines 20-21, and page 10, lines 1-2.

- a. Explain whether Mr. Townsend has reviewed KU’s historical levels of non-labor O&M expenses in order to determine the amount by which they have changed (increase or decrease) in the past.

- b. Explain whether it is Mr. Townsend’s belief that non-labor O&M expenses, compared to other types of expenses, tend to remain stagnant rather than change from year to year.



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DATED **MAR 23 2015**

cc: Parties of Record

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